



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2010
OF THE CONDITION AND AFFAIRS OF THE

Upper Peninsula Health Plan, Inc

NAIC Group Code 00000 , 00000 NAIC Company Code 52615 Employer's ID Number 38-3379956
(Current Period) (Prior Period)

Organized under the Laws of Michigan , State of Domicile or Port of Entry Michigan

Country of Domicile United States

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization [X]
Other [] Is HMO, Federally Qualified? Yes [] No [X]

Incorporated/Organized 10/14/1997 Commenced Business 08/01/1998

Statutory Home Office 228 West Washington St , Marquette, MI 49855
(Street and Number) (City, State and Zip Code)

Main Administrative Office 228 West Washington St
Marquette, MI 49855 906-225-7500
(City, State and Zip Code) (Street and Number) (Area Code) (Telephone Number)

Mail Address 228 West Washington St , Marquette, MI 49855
(Street and Number or P.O. Box) (City, State and Zip Code)

Primary Location of Books and Records 228 West Washington St
Marquette, MI 49855 906-225-7500
(City, State and Zip Code) (Street and Number) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address N/A

Statutory Statement Contact Kevin William Carlson , 906-225-7500
kwcarlson@uphp.com 906-225-8687
(Name) (Area Code) (Telephone Number) (Extension)
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Dennis Smith</u>	<u>President</u>	<u>Greg Gustafson</u>	<u>Treasurer</u>
<u>Jerry Worden</u>	<u>Secretary</u>		

OTHER OFFICERS

, ,

DIRECTORS OR TRUSTEES

<u>Michelle Tavernier</u>	<u>David Jahn</u>	<u>John Schon</u>	<u>Jerry Worden</u>
<u>James Bogan</u>	<u>Kevin Calhoun</u>	<u>Sherrice Perry</u>	<u>Scott Pillion</u>
<u>Eric Jurgensen</u>			

State of Michigan
County of Marquette

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The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

<u>Dennis Smith</u> President	<u>Greg Gustafson</u> Treasurer	<u>Jerry Worden</u> Secretary
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Subscribed and sworn to before me this 16 day of February, 2011

a. Is this an original filing? Yes [X] No []
b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

Tanya M Jennings HR Director
October 11, 2013

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	.0		.0	.0
2. Stocks (Schedule D):				
2.1 Preferred stocks0		.0	.0
2.2 Common stocks0		.0	.0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens0	.0
3.2 Other than first liens0	.0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			.0	.0
4.2 Properties held for the production of income (less \$ encumbrances)0	.0
4.3 Properties held for sale (less \$ encumbrances)0	.0
5. Cash (\$16,576,926 , Schedule E-Part 1), cash equivalents (\$0 , Schedule E-Part 2) and short-term investments (\$20,878,883 , Schedule DA).....	37,455,809		37,455,809	35,118,483
6. Contract loans (including \$premium notes)			.0	.0
7. Derivatives0	
8. Other invested assets (Schedule BA)0		.0	.0
9. Receivables for securities0	.0
10. Securities lending reinvested collateral assets.....			.0	
11. Aggregate write-ins for invested assets0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11)	37,455,809	.0	37,455,809	35,118,483
13. Title plants less \$charged off (for Title insurers only).....			.0	.0
14. Investment income due and accrued312		.312	.159
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection0	.0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums).....			.0	.0
15.3 Accrued retrospective premiums.....			.0	.0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers0	.0
16.2 Funds held by or deposited with reinsured companies0	.0
16.3 Other amounts receivable under reinsurance contracts0	.0
17. Amounts receivable relating to uninsured plans0	.0
18.1 Current federal and foreign income tax recoverable and interest thereon0	.0
18.2 Net deferred tax asset.....			.0	.0
19. Guaranty funds receivable or on deposit0	.0
20. Electronic data processing equipment and software.....	229,512	218,036	11,476	3,875
21. Furniture and equipment, including health care delivery assets (\$)	251,735	251,735	.0	.0
22. Net adjustment in assets and liabilities due to foreign exchange rates0	.0
23. Receivables from parent, subsidiaries and affiliates0	.0
24. Health care (\$542,344) and other amounts receivable.....	542,344		542,344	582,025
25. Aggregate write-ins for other than invested assets	246,902	246,902	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	38,726,614	716,673	38,009,941	35,704,542
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	.0
28. Total (Lines 26 and 27)	38,726,614	716,673	38,009,941	35,704,542
DETAILS OF WRITE-INS				
1101.0	.0
1102.0	.0
1103.0	.0
1198. Summary of remaining write-ins for Line 11 from overflow page0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepays.....	246,902	246,902	.0	.0
2502.0	.0
2503.0	.0
2598. Summary of remaining write-ins for Line 25 from overflow page0	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	246,902	246,902	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	10,297,542		10,297,542	11,336,080
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	322,000		322,000	239,000
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves.....			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	162,591		162,591	183,760
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)).....			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	0
16. Derivatives.....			0	
17. Payable for securities			0	0
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$unauthorized reinsurers)			0	0
20. Reinsurance in unauthorized companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	56,000
24. Total liabilities (Lines 1 to 23).....	10,782,133	0	10,782,133	11,814,840
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	3,592,171	3,592,171
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX		0
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	23,635,637	20,297,531
32. Less treasury stock, at cost:				
32.1shares common (value included in Line 26 \$)	XXX	XXX		0
32.2shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	27,227,808	23,889,702
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	38,009,941	35,704,542
DETAILS OF WRITE-INS				
2301. Reinsurance Loss Fund.....			0	56,000
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	56,000
2501.	XXX	XXX		0
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX.....	352,033.....	323,793.....
2. Net premium income (including \$0 non-health premium income).....	XXX.....	99,122,845.....	92,979,928.....
3. Change in unearned premium reserves and reserve for rate credits	XXX.....		0.....
4. Fee-for-service (net of \$ medical expenses)	XXX.....		0.....
5. Risk revenue	XXX.....		0.....
6. Aggregate write-ins for other health care related revenues	XXX.....	0.....	0.....
7. Aggregate write-ins for other non-health revenues	XXX.....	0.....	0.....
8. Total revenues (Lines 2 to 7)	XXX.....	99,122,845.....	92,979,928.....
Hospital and Medical:			
9. Hospital/medical benefits		60,944,578.....	57,370,051.....
10. Other professional services		3,422,408.....	3,317,363.....
11. Outside referrals			0.....
12. Emergency room and out-of-area		2,811,177.....	2,722,777.....
13. Prescription drugs		11,182,680.....	11,456,964.....
14. Aggregate write-ins for other hospital and medical.....	0.....	0.....	0.....
15. Incentive pool, withhold adjustments and bonus amounts.....			0.....
16. Subtotal (Lines 9 to 15)	0.....	78,360,843.....	74,867,155.....
Less:			
17. Net reinsurance recoveries		73,243.....	41,325.....
18. Total hospital and medical (Lines 16 minus 17)	0.....	78,287,600.....	74,825,830.....
19. Non-health claims (net).....			0.....
20. Claims adjustment expenses, including \$74,909 cost containment expenses.....		1,098,308.....	1,250,126.....
21. General administrative expenses.....		11,599,729.....	11,120,720.....
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0.....	0.....
23. Total underwriting deductions (Lines 18 through 22)	0.....	90,985,637.....	87,196,676.....
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX.....	8,137,208.....	5,783,252.....
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		28,180.....	44,936.....
26. Net realized capital gains (losses) less capital gains tax of \$			0.....
27. Net investment gains (losses) (Lines 25 plus 26)	0.....	28,180.....	44,936.....
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0.....
29. Aggregate write-ins for other income or expenses	0.....	0.....	0.....
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	8,165,388.....	5,828,188.....
31. Federal and foreign income taxes incurred	XXX.....		0.....
32. Net income (loss) (Lines 30 minus 31)	XXX.....	8,165,388.....	5,828,188.....
DETAILS OF WRITE-INS			
0601.	XXX.....		0.....
0602.	XXX.....		0.....
0603.	XXX.....		0.....
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX.....	0.....	0.....
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX.....	0.....	0.....
0701.	XXX.....		
0702.	XXX.....		0.....
0703.	XXX.....		0.....
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX.....	0.....	0.....
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX.....	0.....	0.....
1401.			0.....
1402.			0.....
1403.			0.....
1498. Summary of remaining write-ins for Line 14 from overflow page	0.....	0.....	0.....
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0.....	0.....	0.....
2901.			0.....
2902.			0.....
2903.			0.....
2998. Summary of remaining write-ins for Line 29 from overflow page	0.....	0.....	0.....
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0.....	0.....	0.....

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	23,889,702	18,125,336
34. Net income or (loss) from Line 32	8,165,388	5,828,188
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax		0
39. Change in nonadmitted assets	159,770	(63,822)
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders	(4,987,052)	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital & surplus (Lines 34 to 47)	3,338,106	5,764,366
49. Capital and surplus end of reporting year (Line 33 plus 48)	27,227,808	23,889,702
DETAILS OF WRITE-INS		
4701. Audit Entry.....		0
4702.		0
4703.		0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	99,122,845	92,979,928
2. Net investment income	28,027	60,584
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	99,150,872	93,040,512
5. Benefit and loss related payments	78,736,457	73,102,207
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0
7. Commissions, expenses paid and aggregate write-ins for deductions	12,636,206	12,537,045
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	91,372,663	85,639,252
11. Net cash from operations (Line 4 minus Line 10)	7,778,209	7,401,260
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	0
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	0	0
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	4,987,052	0
16.6 Other cash provided (applied)	(453,831)	(65,139)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(5,440,883)	(65,139)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,337,326	7,336,121
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	35,118,483	27,782,362
19.2 End of year (Line 18 plus Line 19.1)	37,455,809	35,118,483

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Upper Peninsula Health Plan, Inc

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
		Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
	Total									
1. Net premium income	99,122,845	386,257	.0	.0	.0	.0	.0	98,736,588	.0	.0
2. Change in unearned premium reserves and reserve for rate credit0									
3. Fee-for-service (net of \$ medical expenses)0									XXX
4. Risk revenue0									XXX
5. Aggregate write-ins for other health care related revenues0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
6. Aggregate write-ins for other non-health care related revenues0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
7. Total revenues (Lines 1 to 6)	99,122,845	386,257	.0	.0	.0	.0	.0	98,736,588	.0	.0
8. Hospital/medical benefits	60,944,578	143,931						60,800,647		XXX
9. Other professional services	3,422,408	8,083						3,414,325		XXX
10. Outside referrals0									XXX
11. Emergency room and out-of-area	2,811,177	6,640						2,804,537		XXX
12. Prescription drugs	11,182,680	123,789						11,058,891		XXX
13. Aggregate write-ins for other hospital and medical0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
14. Incentive pool, withhold adjustments and bonus amounts0									XXX
15. Subtotal (Lines 8 to 14)	78,360,843	282,443	.0	.0	.0	.0	.0	78,078,400	.0	XXX
16. Net reinsurance recoveries	73,243							73,243		XXX
17. Total hospital and medical (Lines 15 minus 16)	78,287,600	282,443	.0	.0	.0	.0	.0	78,005,157	.0	XXX
18. Non-health claims (net)0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
19. Claims adjustment expenses including \$74,909 cost containment expenses	1,098,308	4,420						1,093,888		
20. General administrative expenses	11,599,729	46,682						11,553,047		
21. Increase in reserves for accident and health contracts0									XXX
22. Increase in reserves for life contracts0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
23. Total underwriting deductions (Lines 17 to 22)	90,985,637	333,545	.0	.0	.0	.0	.0	90,652,092	.0	.0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	8,137,208	52,712	0	0	0	0	0	8,084,496	0	0
DETAILS OF WRITE-INS										
0501.0									XXX
0502.0									XXX
0503.0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.0									XXX
1302.0									XXX
1303.0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)	388,904		2,647	386,257
2. Medicare Supplement0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan0
6. Title XVIII - Medicare0
7. Title XIX - Medicaid.....	98,933,437		196,849	98,736,588
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8)	99,322,341	.0	199,496	99,122,845
10. Life0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	99,322,341	0	199,496	99,122,845

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Upper Peninsula Health Plan, Inc

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Payments during the year:										
1.1 Direct	79,941,725	274,651						79,667,074		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	73,243							73,243		
1.4 Net	79,868,482	274,651	0	0	0	0	0	79,593,831	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	10,297,542	54,844	0	0	0	0	0	10,242,698	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	10,297,542	54,844	0	0	0	0	0	10,242,698	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a).....	542,344							542,344		
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	11,336,080	47,052	0	0	0	0	0	11,289,028	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	11,336,080	47,052	0	0	0	0	0	11,289,028	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	78,360,843	282,443	0	0	0	0	0	78,078,400	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	73,243	0	0	0	0	0	0	73,243	0	0
12.4 Net	78,287,600	282,443	0	0	0	0	0	78,005,157	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	1,451,703							1,451,703		
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	1,451,703	0	0	0	0	0	0	1,451,703	0	0
2. Incurred but Unreported:										
2.1. Direct	8,845,839	54,844						8,790,995		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	8,845,839	54,844	0	0	0	0	0	8,790,995	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	10,297,542	54,844	0	0	0	0	0	10,242,698	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	10,297,542	54,844	0	0	0	0	0	10,242,698	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	40,480	234,170	593	54,251	41,073	47,052
2. Medicare Supplement					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid.....	8,633,224	70,960,608	95,573	10,147,125	8,728,797	11,289,028
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	8,673,704	71,194,778	96,166	10,201,376	8,769,870	11,336,080
10. Healthcare receivables (a).....		542,344			0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9-10+11+12)	8,673,704	70,652,434	96,166	10,201,376	8,769,870	11,336,080

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	624	624	624	624	624
2. 2006	90	106	106	106	106
3. 2007	XXX	70	94	94	94
4. 2008	XXX	XXX	173	211	211
5. 2009	XXX	XXX	XXX	214	246
6. 2010	XXX	XXX	XXX	XXX	73

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	767	767	767	767	767
2. 2006	115	131	131	131	131
3. 2007	XXX	90	114	114	114
4. 2008	XXX	XXX	214	252	252
5. 2009	XXX	XXX	XXX	261	293
6. 2010	XXX	XXX	XXX	XXX	97

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006.....	267	106	8	7.5	114	42.7			114	42.7
2. 2007.....	237	94	5	5.3	99	41.8			99	41.8
3. 2008.....	236	211	4	1.9	215	91.1			215	91.1
4. 2009.....	398	246	5	2.0	251	63.1			251	63.1
5. 2010.....	386	73	4	5.5	77	19.9	55		132	34.2

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	202,812	202,812	202,812	202,812	202,812
2. 2006	33,716	38,294	38,294	38,294	38,294
3. 2007	XXX	47,064	55,871	55,871	55,871
4. 2008	XXX	XXX	57,994	67,437	67,437
5. 2009	XXX	XXX	XXX	64,024	70,796
6. 2010	XXX	XXX	XXX	XXX	37,031

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	202,812	202,812	202,812	202,812	202,812
2. 2006	33,716	38,294	38,294	38,294	38,294
3. 2007	XXX	47,064	55,871	55,871	55,871
4. 2008	XXX	XXX	57,994	67,437	67,437
5. 2009	XXX	XXX	XXX	64,024	70,797
6. 2010	XXX	XXX	XXX	XXX	42,334

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006.....	48,281	38,294	1,451	3.8	39,745	82.3			39,745	82.3
2. 2007.....	66,561	55,871	1,433	2.6	57,304	86.1			57,304	86.1
3. 2008.....	82,653	67,437	1,535	2.3	68,972	83.4			68,972	83.4
4. 2009.....	92,581	70,796	1,244	1.8	72,040	77.8			72,040	77.8
5. 2010	98,796	37,031	1,094	3.0	38,125	38.6	10,243	322	48,690	49.3

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	203,436	203,436	203,436	203,436	203,436
2. 2006	33,806	38,400	38,400	38,400	38,400
3. 2007	XXX	47,134	55,965	55,965	55,965
4. 2008	XXX	XXX	58,167	67,648	67,648
5. 2009	XXX	XXX	XXX	64,238	71,042
6. 2010	XXX	XXX	XXX	XXX	37,104

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	203,579	203,579	203,579	203,579	203,579
2. 2006	33,831	38,425	38,425	38,425	38,425
3. 2007	XXX	47,154	55,985	55,985	55,985
4. 2008	XXX	XXX	58,208	67,689	67,689
5. 2009	XXX	XXX	XXX	64,285	71,090
6. 2010	XXX	XXX	XXX	XXX	42,431

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006	48,548	38,400	1,459	3.8	39,859	82.1	.0	.0	39,859	82.1
2. 2007	66,798	55,965	1,438	2.6	57,403	85.9	.0	.0	57,403	85.9
3. 2008	82,889	67,648	1,539	2.3	69,187	83.5	.0	.0	69,187	83.5
4. 2009	92,979	71,042	1,249	1.8	72,291	77.7	.0	.0	72,291	77.7
5. 2010	99,182	37,104	1,098	3.0	38,202	38.5	10,298	322	48,822	49.2

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	.0								
2. Additional policy reserves (a).....	.0								
3. Reserve for future contingent benefits.....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income).....	.0								
5. Aggregate write-ins for other policy reserves0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross)0	.0	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded0								
8. Totals (Net) (Page 3, Line 4)	0	0	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims0	NONE							
10. Reserve for future contingent benefits0								
11. Aggregate write-ins for other claim reserves0								
12. Totals (gross)0								
13. Reinsurance ceded0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building).....	2,587	33,637	153,479		189,703
2. Salaries, wages and other benefits.....	61,513	799,672	3,648,802		4,509,987
3. Commissions (less \$ceded plus \$assumed).....					0
4. Legal fees and expenses.....	41	502	6,591		7,134
5. Certifications and accreditation fees.....			8,307		8,307
6. Auditing, actuarial and other consulting services.....	285	3,707	186,143		190,135
7. Traveling expenses.....	57	743	72,444		73,244
8. Marketing and advertising.....	78	1,019	72,263		73,360
9. Postage, express and telephone.....	239	3,105	110,881		114,225
10. Printing and office supplies.....	212	2,761	100,330		103,303
11. Occupancy, depreciation and amortization.....	289	3,762	40,994		45,045
12. Equipment.....					0
13. Cost or depreciation of EDP equipment and software.....	766	9,964	121,884		132,614
14. Outsourced services including EDP, claims, and other services.....	3,173	41,249	421,432		465,854
15. Boards, bureaus and association fees.....	925	12,024	109,371		122,320
16. Insurance, except on real estate.....	874	11,365	51,858		64,097
17. Collection and bank service charges.....		50	13,307		13,357
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....		49,534	209,875		259,409
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....					0
23.4 Payroll taxes.....	3,870	50,305	229,535		283,710
23.5 Other (excluding federal income and real estate taxes).....					0
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	0	0	6,042,233	0	6,042,233
26. Total expenses incurred (Lines 1 to 25).....	74,909	1,023,399	11,599,729	0 (a)	12,698,037
27. Less expenses unpaid December 31, current year		322,000	162,591		484,591
28. Add expenses unpaid December 31, prior year	0	239,000	183,760	0	422,760
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	74,909	940,399	11,620,898	0	12,636,206
DETAILS OF WRITE-INS					
2501. MPCA - Outreach Program.....			474,164		474,164
2502. Use Tax.....			5,568,069		5,568,069
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 + 2598) (Line 25 above)	0	0	6,042,233	0	6,042,233

(a) Includes management fees of \$5,751,789 to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....
1.1	Bonds exempt from U.S. tax	(a).....
1.2	Other bonds (unaffiliated)	(a).....
1.3	Bonds of affiliates	(a).....0
2.1	Preferred stocks (unaffiliated)	(b).....0
2.11	Preferred stocks of affiliates	(b).....0
2.2	Common stocks (unaffiliated)0
2.21	Common stocks of affiliates0
3.	Mortgage loans	(c).....
4.	Real estate	(d).....
5.	Contract loans
6.	Cash, cash equivalents and short-term investments	(e).....27,29128,180
7.	Derivative instruments	(f).....
8.	Other invested assets
9.	Aggregate write-ins for investment income00
10.	Total gross investment income27,29128,180
11.	Investment expenses		(g).....
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income0
16.	Total deductions (Lines 11 through 15)0
17.	Net investment income (Line 10 minus Line 16)28,180
DETAILS OF WRITE-INS			
0901.
0902.
0903.
0998.	Summary of remaining write-ins for Line 9 from overflow page00
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)00
1501.
1502.
1503.
1598.	Summary of remaining write-ins for Line 15 from overflow page0
1599.	Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)0

(a) Includes \$ accrual of discount less \$ amortization of premium and less \$0 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds0
1.1	Bonds exempt from U.S. tax0
1.2	Other bonds (unaffiliated)0
1.3	Bonds of affiliates00000
2.1	Preferred stocks (unaffiliated)00000
2.11	Preferred stocks of affiliates00000
2.2	Common stocks (unaffiliated)00000
2.21	Common stocks of affiliates00000
3.	Mortgage loans00000
4.	Real estate0000
5.	Contract loans0
6.	Cash, cash equivalents and short-term investments000
7.	Derivative instruments0
8.	Other invested assets00000
9.	Aggregate write-ins for capital gains (losses)00000
10.	Total capital gains (losses)00000
DETAILS OF WRITE-INS						
0901.0
0902.0
0903.0
0998.	Summary of remaining write-ins for Line 9 from overflow page00000
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)00000

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives	0		0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets.....	0		0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	218,036	73,625	(144,411)
21. Furniture and equipment, including health care delivery assets	251,735	217,264	(34,471)
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	550,000	550,000
25. Aggregate write-ins for other than invested assets	246,902	35,554	(211,348)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	716,673	876,443	159,770
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	716,673	876,443	159,770
DETAILS OF WRITE-INS			
1101.	0	0	0
1102.	0	0	0
1103.	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Expenses.....	246,902	35,554	(211,348)
2502.	0	0	0
2503.	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	246,902	35,554	(211,348)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	28,566	29,192	29,365	29,433	29,774	352,033
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
7. Total	28,566	29,192	29,365	29,433	29,774	352,033
DETAILS OF WRITE-INS						
0601.0					
0602.0					
0603.0					
0698. Summary of remaining write-ins for Line 6 from overflow page0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

- A) **Accounting Practices**
The 2010 Annual Statement has been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual, and the preparation of the financial statements are in conformity with the Annual Statement Instructions.
- B) **Use of Estimates in the Preparation of the Financial Statements**
The estimates used in the preparation of the financial statements conformed to the Annual Statement Instructions and Accounting Practices and Procedures manual.
- C) **Accounting Policy**
Reinsurance premiums were netted against premium revenue and pharmaceutical rebates and psychotropic drug reimbursements were netted against pharmacy expenses.

Note 2 - Accounting Changes and Corrections of Errors

Psychotropic drug reimbursements of \$620,093 are being netted against pharmacy expenses. Use tax expense through December 31, 2010 is \$5,568,069 and is included in administrative expenses. In addition, the State of Michigan implemented a hospital supplemental payments protocol that assesses the hospitals operating revenue, uses those funds to generate matching dollars from CMS to increase funding for the state Medicaid program. These funds are paid directly to the hospitals for Graduate Medical Education (GME) or Hospital Rate Adjustments (HRA) and are reported as hospital payments. These supplemental payments included in the Annual filing totaled \$23,260,354.

Note 3 - Business Combinations and Goodwill

NONE

Note 4 - Discontinued Operations

NONE

Note 5 - Investments

As of December 31, 2010 the company is invested in money market accounts.

Note 6 - Joint Ventures, Partnerships, and Limited Liability Companies

NONE

Note 7 – Investment Income

As of December 31, 2010, the Company had \$28,180 of admitted investment income due and accrued and included in the statement of revenue and expenses.

Note 8 - Derivative Instruments

NONE

Note 9 - Income Taxes

- A) NONE
- B) NONE
- C) NONE
- D) NONE
- F) NONE
- E) NONE

Note 10-Information Concerning Parent, Subsidiaries, and Affiliates

- A) The Company is owned by fourteen 501(c)3 healthcare organizations with each owning various percentages. Only two hospitals control over 10% of the Plan. Marquette General Hospital owns 56.27% and Portage Health System owns 10.02% of the Plan's outstanding common stock.
- B) NONE
- C) The Plan paid a management fee of \$5,751,789 to its management company, the Upper Peninsula Managed Care, LLC through December 31, 2010. All transactions are covered under Note 10-Part F.
- D) NONE
- E) NONE
- F) The Plan has a Management Service Agreement with its affiliate. This agreement spells out all administrative services provided by the company and includes methods of reimbursement for services performed.
- G) There are no shares of voting common stock in the Company. All 100 voting shares were recalled as a result of a change in control effective April 1, 2004.
- H) NONE
- I) NONE
- J) NONE

NOTES TO FINANCIAL STATEMENTS

Note 11-Debt

NONE

Note 12-Retirement Plans, Deferred Compensation, Postemployment Benefits & Compensated Absences, and other Postretirement Benefit Plans

NONE

Note 13-Capital, Surplus, Shareholder’s Dividend Restrictions and Quasi-Reorganizations

As of December 31, 2010, the Plan has 29,935 shares of non-voting common stock issued and outstanding. The Plan has no preferred stock issued or outstanding. The Plan has adopted a policy where Dividend distribution is restricted to a level above 600% of the authorized control level.

Note 14-Contingencies

NONE

Note 15-Leases

NONE

Note 16-Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

NONE

Note 17-Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities

NONE

Note 18-Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

NONE

Note 19-Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

NONE

Note 20 – Other Items

Financial Examination

The Plan underwent a financial examination in 2009 by Michigan’s Office of Financial & Insurances Regulation as of December 31, 2008. A copy of this report was made available for public inspection as of November 24, 2009.

Note 21-Events Subsequent

NONE

Note 22-Reinsurance

NONE

Note 23-Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Plan's current book of business is the Michigan Managed Medicaid and MICHild contracts. The Plan has no retroactive features in its contracts.

Note 24-Change in Incurred Claims and Claim Adjustment Expense

NONE

Note 25-Intercompany Pooling Arrangements

NONE

NOTES TO FINANCIAL STATEMENTS

Note 26-Structured Settlement

NONE

Note 27-Health Care Receivables

The Plan’s health care receivables as of December 31, 2010 totaled \$542,344 of which \$328,116 is for maternity case rates for children born to mothers in the Plan. Also, there is \$214,228 included in receivables for the company’s 2010 Medicaid Performance Bonus.

Note 28-Participating Policies

NONE

Note 29-Premium Deficiency Reserves

NONE

Note 30-Anticipated Salvage and Subrogation

The Company signed a contract with the First Recovery Group of Southfield, Michigan in September 2001. This contract enables The First Recovery Group to investigate, identify, and collect subrogation recoveries on behalf of the Upper Peninsula Health Plan, Inc. As of December 31, 2010, First Recovery Group recovered \$82,264 for the Company this year.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐
- 1.3

State Regulating?.....

Michigan.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2008
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2008
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....11/24/2009
- 3.4

By what department or departments? Michigan Office of Financial & Insurance Regulation.....

.....
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☒ No ☐ N/A ☐
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ N/A ☐
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes ☐ No ☒

4.12 renewals? Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes ☐ No ☒

4.22 renewals? Yes ☐ No ☒
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....
.....
.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,

7.21 State the percentage of foreign control

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....
.....

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? Thomson & Thomson PC 1901 W Ridge St. Marquette, MI 49855.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:.....

10.3 Has the insurer been granted any exemptions to the audit committee requirements as allowed in Section 14H of the Annual Financial Reporting Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:.....

10.5 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.6 If the response to 10.5 is yes, provide information related to this exemption:.....

10.7 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [] No [X] N/A []

10.8 If the response to 10.7 is no or n/a, please explain..... The financials, audits, and actuary reports are presented to the entire board for review.....

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?..... Milliman 15800 Bluemound Road Suite 400, Brookfield, WI 53005.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?..... Yes [] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved.....

12.13 Total book/adjusted carrying value..... \$.....

12.2 If yes, provide explanation.....

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?.....

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:.....

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).....

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).....

GENERAL INTERROGATORIES

BOARD OF DIRECTORS

15.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes ☒ No ☐
16.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes ☒ No ☐
17.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes ☒ No ☐

FINANCIAL

18.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes ☐ No ☒
- 19.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

19.11 To directors or other officers

\$0

19.12 To stockholders not officers

\$0

19.13 Trustees, supreme or grand (Fraternal only)

\$0
- 19.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

19.21 To directors or other officers

\$0

19.22 To stockholders not officers

\$0

19.23 Trustees, supreme or grand (Fraternal only)

\$0
- 20.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes ☐ No ☒
- 20.2

If yes, state the amount thereof at December 31 of the current year:

20.21 Rented from others

\$

20.22 Borrowed from others

\$

20.23 Leased from others

\$

20.24 Other

\$
- 21.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes ☐ No ☒
- 21.2

If answer is yes:

21.21 Amount paid as losses or risk adjustment

\$

21.22 Amount paid as expenses

\$

21.23 Other amounts paid

\$
- 22.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes ☐ No ☒
- 22.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$

INVESTMENT

- 23.1

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 23.3)

Yes ☒ No ☐
- 23.2

If no, give full and complete information, relating thereto
- 23.3

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

The Upper Peninsula Health Plan does not have a security lending program
- 23.4

Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes ☐ No ☐ NA ☒
- 23.5

If answer to 23.4 is yes, report amount of collateral for conforming programs.

\$
- 23.6

If answer to 23.4 is no, report amount of collateral for other programs.

\$
- 23.7

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes ☐ No ☐ NA ☒
- 23.8

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes ☐ No ☐ NA ☒
- 23.9

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes ☐ No ☐ NA ☒

GENERAL INTERROGATORIES

24.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 20.1 and 23.3). Yes [X] No []

24.2 If yes, state the amount thereof at December 31 of the current year:

24.21	Subject to repurchase agreements	\$.....
24.22	Subject to reverse repurchase agreements	\$.....
24.23	Subject to dollar repurchase agreements	\$.....
24.24	Subject to reverse dollar repurchase agreements	\$.....
24.25	Pledged as collateral	\$.....
24.26	Placed under option agreements	\$.....
24.27	Letter stock or securities restricted as to sale	\$.....
24.28	On deposit with state or other regulatory body	\$.....1,032,722
24.29	Other	\$.....

24.3 For category (24.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....
.....

25.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

25.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A []
If no, attach a description with this statement.

26.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

26.2 If yes, state the amount thereof at December 31 of the current year. \$.....

27. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

27.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Wells Fargo Institutional Trust Services.....	101 West Washington St Marquette, MI 49855.....
.....

27.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....
.....

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 27.01 during the current year? Yes [] No [X]

27.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....
.....

27.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....
.....
.....

GENERAL INTERROGATORIES

- 28.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?
- 28.2 If yes, complete the following schedule:
- Yes [] No [X]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
.....
28.2999 TOTAL		0

28.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....
.....

29. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
29.1 Bonds.....	0		0
29.2 Preferred Stocks.....	0		0
29.3 Totals	0	0	0

29.4 Describe the sources or methods utilized in determining the fair values:.....

- 30.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?.....
- 30.2 If the answer to 30.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
- 30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:.....
- Not Applicable nothing reported in Schedule D.....
- Yes [] No [X]
- Yes [] No []

- 31.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?
- 31.2 If no, list exceptions:.....
- Yes [X] No []

GENERAL INTERROGATORIES

OTHER

- 32.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any? \$45,000
- 32.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Michigan Association of Health Plans.....	\$.....45,000

- 33.1 Amount of payments for legal expenses, if any? \$4,300
- 33.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Foster, Swift, Collins & Smith PC.....	\$.....4,300

- 34.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....
.....	

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
1.2 If yes, indicate premium earned on U. S. business only \$0
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
1.31 Reason for excluding
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$
1.6 Individual policies:
Most current three years:
1.61 Total premium earned \$0
1.62 Total incurred claims \$0
1.63 Number of covered lives0
All years prior to most current three years:
1.64 Total premium earned \$0
1.65 Total incurred claims \$0
1.66 Number of covered lives0
1.7 Group policies:
Most current three years:
1.71 Total premium earned \$0
1.72 Total incurred claims \$0
1.73 Number of covered lives0
All years prior to most current three years:
1.74 Total premium earned \$0
1.75 Total incurred claims \$0
1.76 Number of covered lives0
2. Health Test:
1 2
Current Year Prior Year
2.1 Premium Numerator \$99,122,845 \$92,979,928
2.2 Premium Denominator \$99,122,845 \$92,979,928
2.3 Premium Ratio (2.1/2.2)1.0001.000
2.4 Reserve Numerator \$10,297,542 \$11,336,080
2.5 Reserve Denominator \$10,297,542 \$11,336,080
2.6 Reserve Ratio (2.4/2.5)1.0001.000
3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]
3.2 If yes, give particulars:
4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []
4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [X]
5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No []
5.2 If no, explain:
5.3 Maximum retained risk (see instructions)
5.31 Comprehensive Medical \$100,000
5.32 Medical Only \$0
5.33 Medicare Supplement \$0
5.34 Dental and Vision \$0
5.35 Other Limited Benefit Plan \$0
5.36 Other \$0
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
As part of our reinsurance policy we have insolvency protection. Also, we have an insolvency provision in our provider contracts.
7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No []
7.2 If no, give details:
8. Provide the following information regarding participating providers:
8.1 Number of providers at start of reporting year864
8.2 Number of providers at end of reporting year901
9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
9.2 If yes, direct premium earned:
9.21 Business with rate guarantees between 15-36 months
9.22 Business with rate guarantees over 36 months

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [X] No []

10.2 If yes:

10.21 Maximum amount payable bonuses

\$.....

10.22 Amount actually paid for year bonuses

\$.....

10.23 Maximum amount payable withholds

\$.....200,000

10.24 Amount actually paid for year withholds

\$.....

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes [] No [X]

11.13 An Individual Practice Association (IPA), or,

Yes [X] No []

11.14 A Mixed Model (combination of above) ?

Yes [] No [X]

Yes [X] No []

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Michigan.....

11.3 If yes, show the name of the state requiring such net worth.

\$.....6,051,884

11.4 If yes, show the amount required.

Yes [] No [X]

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

200% of 100% Authorized Control Level is required (3,025,942 * 2 = \$6,051,884)

11.6 If the amount is calculated, show the calculation.

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Region 8: Which includes all counties in Michigan's Upper Peninsula.....
.....
.....
.....
.....

13.1 Do you act as a custodian for health savings accounts?

Yes [] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date.

\$.....

13.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date.

\$.....

FIVE - YEAR HISTORICAL DATA

	1 2010	2 2009	3 2008	4 2007	5 2006
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	38,009,941	35,704,542	28,417,295	22,630,343	14,817,518
2. Total liabilities (Page 3, Line 24)	10,782,133	11,814,840	10,291,959	9,412,538	7,433,226
3. Statutory surplus		5,824,830	0	0	0
4. Total capital and surplus (Page 3, Line 33)	27,227,808	23,889,702	18,125,336	13,217,805	7,384,292
Income Statement (Page 4)					
5. Total revenues (Line 8)	99,122,845	92,979,928	82,890,022	66,797,874	48,498,038
6. Total medical and hospital expenses (Line 18)	78,287,600	74,825,830	67,157,125	52,572,708	39,687,404
7. Claims adjustment expenses (Line 20)	1,098,308	1,250,126	1,540,043	1,437,986	1,458,558
8. Total administrative expenses (Line 21)	11,599,729	11,120,720	9,770,567	7,677,833	5,999,159
9. Net underwriting gain (loss) (Line 24)	8,137,208	5,783,252	4,422,287	5,109,347	2,232,917
10. Net investment gain (loss) (Line 27)	28,180	44,936	496,455	833,839	621,919
11. Total other income (Lines 28 plus 29)	0	0	0	15,771	3,501
12. Net income or (loss) (Line 32)	8,165,388	5,828,188	4,918,742	5,958,957	2,858,337
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	7,778,209	7,401,260	6,713,479	6,841,006	3,491,810
Risk-Based Capital Analysis					
14. Total adjusted capital.....	27,227,808	23,889,702	18,125,336	13,217,805	7,384,292
15. Authorized control level risk-based capital.....	3,025,942	2,912,415	2,731,582	2,249,921	2,076,758
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	29,774	28,566	25,777	25,447	25,447
17. Total members months (Column 6, Line 7)	352,033	323,793	308,290	304,379	308,317
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	79.0	80.5	81.0	78.7	81.8
20. Cost containment expenses	0.1	0.1	0.2	0.2	0.3
21. Other claims adjustment expenses	1.0	1.2	1.7	1.9	2.7
22. Total underwriting deductions (Line 23)	91.8	93.8	94.7	92.4	95.4
23. Total underwriting gain (loss) (Line 24)	8.2	6.2	5.3	7.6	4.6
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	8,769,870	9,592,560	8,417,766	4,593,731	5,216,062
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	11,336,080	9,647,000	8,771,000	6,418,000	5,327,000
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate		0	0	0	0
31. All other affiliated		0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?..... Yes [] No []

If no, please explain:

.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	N						0	0
2. Alaska	AK	N						0	0
3. Arizona	AZ	N						0	0
4. Arkansas	AR	N						0	0
5. California	CA	N						0	0
6. Colorado	CO	N						0	0
7. Connecticut	CT	N						0	0
8. Delaware	DE	N						0	0
9. District of Columbia	DC	N						0	0
10. Florida	FL	N						0	0
11. Georgia	GA	N						0	0
12. Hawaii	HI	N						0	0
13. Idaho	ID	N						0	0
14. Illinois	IL	N						0	0
15. Indiana	IN	N						0	0
16. Iowa	IA	N						0	0
17. Kansas	KS	N						0	0
18. Kentucky	KY	N						0	0
19. Louisiana	LA	N						0	0
20. Maine	ME	N						0	0
21. Maryland	MD	N						0	0
22. Massachusetts	MA	N						0	0
23. Michigan	MI	L	388,904	98,933,437				99,322,341	0
24. Minnesota	MN	N						0	0
25. Mississippi	MS	N						0	0
26. Missouri	MO	N						0	0
27. Montana	MT	N						0	0
28. Nebraska	NE	N						0	0
29. Nevada	NV	N						0	0
30. New Hampshire	NH	N						0	0
31. New Jersey	NJ	N						0	0
32. New Mexico	NM	N						0	0
33. New York	NY	N						0	0
34. North Carolina	NC	N						0	0
35. North Dakota	ND	N						0	0
36. Ohio	OH	N						0	0
37. Oklahoma	OK	N						0	0
38. Oregon	OR	N						0	0
39. Pennsylvania	PA	N						0	0
40. Rhode Island	RI	N						0	0
41. South Carolina	SC	N						0	0
42. South Dakota	SD	N						0	0
43. Tennessee	TN	N						0	0
44. Texas	TX	N						0	0
45. Utah	UT	N						0	0
46. Vermont	VT	N						0	0
47. Virginia	VA	N						0	0
48. Washington	WA	N						0	0
49. West Virginia	WV	N						0	0
50. Wisconsin	WI	N						0	0
51. Wyoming	WY	N						0	0
52. American Samoa	AS	N						0	0
53. Guam	GU	N						0	0
54. Puerto Rico	PR	N						0	0
55. U.S. Virgin Islands	VI	N						0	0
56. Northern Mariana Islands	MP	N						0	0
57. Canada	CN	N						0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0	0
59. Subtotal	XXX		388,904	98,933,437	0	0	0	99,322,341	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1		388,904	98,933,437	0	0	0	99,322,341	0
DETAILS OF WRITE-INS									
5801.	XXX							0	
5802.	XXX							0	
5803.	XXX							0	
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		0	0	0	0	0	0	

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

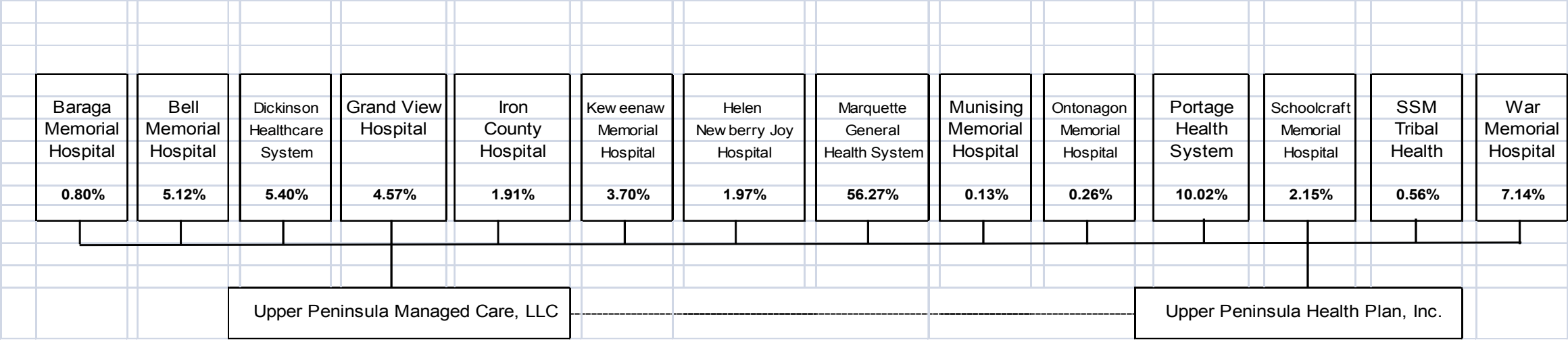
Explanation of basis of allocation by states, premiums by state, etc.: Only licensed in Michigan

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Upper Peninsula Health Plan, Inc

(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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